## Message Text

PAGE 01 TEHRAN 05347 090713Z

17

**ACTION EB-07** 

INFO OCT-01 NEA-10 ISO-00 COME-00 AGR-10 TRSE-00 SS-15

AID-05 /048 W

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R 090610Z JUN 75 FM AMEMBASSY TEHRAN TO SECSTATE WASHDC 1871

**UNCLAS TEHRAN 5347** 

E.O. 11652: N/A

TAGS: USIRJC, EIND, ENRG, OTRA, IR

SUBJECT: PROPOSED VISIT OF JOINT COMMISSION TEAM TO TEHRAN

REF: (A) STATE 132924;(B)STATE 126900;(C)TEHRAN A-183, OF DEC 23,1974

1. PRELIMINARY REACTION OF NPC MANAGING DIRECTOR BAGHER MOSTOFI IS THAT HE DOES NOT SEE WHAT "STUDY MISSION"OF SORT DISCUSSED REFS A AND B CAN ACCOMPLISH AT THIS TIME. WE AGREE AND SUGGEST DEPARTMENT REVIEW PAST REPORTING, ESPECIALLY REF C, AND ADVISE US WHAT ADDITIONAL QUESTIONS NEED ANSWERING. ONCE APPROPRIATE USG OFFICES AND AGENCIES ARE FULLY APPRISED OF STATUS IRAN'S FERTILIZER PLANS, DEPARTMENT MAY WISH TO SEND MISSION OF SUFFICIENT EXPERTISE AND LEVEL TO RECOMMEND SPECIFIC COOPERATIVE PROJECTS FOR MPC, USG AND US PRIVATE FIRMS.

2. PART OF PROBLEM AT MOMENT IS THAT MORE DRILLING MUST BE DONE ON OFFSHORE C-STRUCTURE AND IN ONSHORE EGOCO AREA TO CONFIRM MAGNITUDE OF NON-ASSOCIATED GAS RESERVES. WHILE WE ARE VIRTUALLY CERTAIN THAT NIGC WILL PROVE UP AMPLE RESERVES TO SUPPORT NUMEROUS OIL(SECONDARY RECOVERY), GAS AND PETROCHEMICAL PROJECTS UNDER CONSIDERATION, NEVERTHELESS DETAILED PLANNING MUST AWAIT FURTHER DRILLING AND TESTING. FERTILIZER PLANS PRESENTLY STAND AS FOLLOWS:(A) EXPANSION OF SHAHPOUR CHEMICAL CO. PLANT (WHOLLY OWNED BY NPC) DESCRIBED IN DETAIL IN REF C-WORK ON THIS PROGRAM IS UNDERWAY;(B) EXPANSION OF IRAN FERTILIZER COMPANY (ALSO WHOLLY OWNED BY NPC) IS UNCLASSIFIED

PAGE 02 TEHRAN 05347 090713Z

ALSO UNDERWAY;(C) NPC SIGNED LATE LAST YEAR A LETTER OF INTENT WITH ANIC S.P.A.(SUBSIDIARY OF ENI) TO PRODUCE 1200 MTD OF AMMONIA FOR PRODUCTION OF UREA AND AMMONIUM NITRATE. PREFERABLY PROJECT WILL USE GAS FROM EGOCO AREA(DESRIBED IN REF C),

BUT FAILING THAT, MAY USE GAS FROM QESHM ISLAND; (DL NPC IS (SLOWLY) PLANNING ANOTHER 1200 MTD AMMONIA PLANT NEAR MASHAD, TO USE SARAKHS GAS(DESCRIBED IN REF C). NPC HAS ALSO DISCUSSED POSSIBILITY OF JOINT AMMONIA PROJECT WITH FRENCH FIRMS, BUT PLANS ARE SUSPENDED PENDING CLARIFICATION OF NATURAL GAS SITUATION.

- 3. EMBASSY WILL BE UPDATING REF C IN NEXT TWO WEEKS AND WILL BE HAPPY TO ANSWER IN THAT REPORT ANY DETAILED QUESTIONS DEPARTMENT HAS ON FERTILIZER DEVELOPMENTS. IN PARTICULAR, DR. MOSTOFI HAS OFFERED TO HAVE HIS STAFF REVIEW WITH US PROJECTS IN WHICH IRAN IS CONSIDERING PARTICIPATING IN INDIAN OCEAN AREA. IF DEPARTMENT AND OTHER AGENCIES FEEL, AFTER RECEIVING REF C UPDATE, THAT FURTHER INFORMATION IS NEEDED, EMBASSY SUGGESTS THAT DR. WHITE OF THE FERTILIZER INSTITUTE WOULD BE LOGICAL CHOICE TO GATHER SUCH DATA AND TO EVALUATE POSSIBILITIES FOR USG/GOI COOPERATION.
- 4. EMBOFF SCHEDULED TO DISCUSS FERTILIZER DEVELOPMENT FURTHER WITH MOSTOFI'S PLANNING CHIEF, HAJARIZADEH, JUNE 9. FYI: NPC DOES NOT APPEAR TO HAVE PRECONCEIVED PREFERENCES FOR TURNKEY PLANT CONSTRUCTION OR JOINT VENTURES, BUT WILLING TO CONSIDER EITHER ON CASE-BY-CASE BASIS.

  MIKLOS

UNCLASSIFIED

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## Message Attributes

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